

OFFICIAL MINUTES
California Health Facilities Financing Authority

915 Capitol Mall, Room 110
Sacramento, California
Wednesday, July 13, 2005
1:30 PM

The meeting was called to order by Dennis Trujillo sitting for Chairman Philip Angelides. Members present were Molly Arnold (sitting for Tom Campbell), Cindy Aronberg (sitting for Steve Westly) and Harry Bistrin. Members on teleconference located at 304 S. Broadway, Los Angeles, California were Dr. Theodore Hariton and Judith Frank. Member Dr. Oscar Sablan, also joined via Teleconference located at 927 "O" Street, Firebaugh, California. Also present were staff members Sandra Simpson-Fontaine, Executive Director, Greg Rogers, Deputy Executive Director, Mark Paxson, Counsel to the Authority, Connie Le Louis, Attorney General's Office, and Peggy Arrivas, Financial Advisor, PricewaterhouseCoopers LLP.

Resolution No. F-311 – Cedars-Sinai Medical Center ("the Medical Center") requested reconsideration of the application presented to the Authority on June 30, 2005, to approve a resolution in an amount not to exceed \$556,000,000. The Medical Center will use the loan proceeds to refund all or portions of the CHFFA Series 1999A bonds and a portion of the California Statewide Community Development Authority's (CSCDA) 1993 Certificates of Participation. At the June 30, 2005 meeting, the Authority received a request by the California Nurses Association (CNA) to delay approval based on its interpretation of Government Code Sections 15459.1 (Community Service Requirement) and 15438.5 (Savings Pass Through) of the Authority's Act and its concerns regarding the Medical Center's eligibility for financing. Based on the State Attorney General's Office advice letter confirming that the Medical Center is an eligible borrower, staff again recommended approval of the Resolution in an amount not to exceed \$556,000,000, subject to a minimum "A" category rating and a policy exception permitting the minimum debt service coverage ratio at 1.10x, in accordance with the Master Trust Indenture. After discussion by the Authority, and public comment from the CNA opposing staff's recommendation and disputing the Attorney General's Office advice letter and explanation of the Authority's Act relating to the Medical Center's eligibility, a motion was made and seconded. There was a roll call vote and the resolution was approved. (5 Ayes, 1 Nay and 1 Abstention. Bistrin, Frank, Sablan, Hariton and Arnold Ayes; Trujillo Nay and Aronberg abstained).

Other Business – Member Harry Bistrin requested that when the public requests board consideration, that any information be sent to the members in advance allowing members enough time to review the material presented.

Having no other business, the meeting was adjourned.